

the authorized officer, to cover all leases and permits for a specific mineral in any 1 State.

(b) In lieu of separate bonds for each lease or permit, a lessee or permittee may furnish a bond in the amount of not less than \$75,000, as determined by the authorized officer, to cover all leases and permits for a specific mineral nationwide.

§ 3504.1-6 Change in bond coverage.

The authorized officer may elect to increase or decrease the amount of any bond to be issued or any outstanding bond when a change in coverage is determined appropriate, except no bond may be reduced below the established minimum amount for that mineral.

§ 3504.2 Default.

(a) Where, upon a default, the surety makes a payment to the United States of an obligation incurred under a lease, the face amount of the surety bond or personal bond and the surety's liability thereunder shall be reduced by the amount of such payment.

(b) After default, upon penalty of cancellation of all of the leases or permits covered by such bond, the principal shall within 6 months after notice, or within such shorter period as may be fixed by the authorized officer, either post a new bond or increase the existing bond to the amount previously held. In lieu thereof, the principal may within that time file separate or substitute bonds for each lease or permit.

§ 3504.3 Termination of period of liability.

The authorized officer shall not give consent to termination of the period of liability of any bond unless an acceptable replacement bond has been filed or until all the terms and conditions of the lease or permit have been met.

Subpart 3506—Assignments and Subleases

§ 3506.1 Permits and leases subject to assignment or sublease.

Any prospecting permit or lease may be assigned or subleased in whole or in part to any person, association, or corporation qualified to hold such lease or permit.

§ 3506.2 Filing fees.

To be accepted for filing, each instrument of assignment of record title, operating rights and overriding royalty assignments shall be accompanied by a nonrefundable filing fee of \$25. Any instrument not accompanied by the filing fee shall not be accepted.

§ 3506.3 Filing requirements.

§ 3506.3-1 Record title assignments.

(a) A separate instrument of assignment shall be filed in triplicate for each permit or lease. The instrument shall be filed within 90 days of final execution and shall contain:

- (1) Name and current address of assignee;
- (2) Interest held by assignor and interest to be assigned;
- (3) The serial number of the affected permit or lease and a description of the lands to be assigned as described in the permit or lease;
- (4) Percentage of overriding royalties retained; and
- (5) Date and signature of assignor.

(b) The assignee shall provide a single copy of the request for approval of assignment which shall contain:

- (1) Statement of qualifications and holdings as required by subpart 3502 of this title;
- (2) Date and signature of assignee; and
- (3) Filing fee as required by § 3506.2 of this title.

(c) The approval of an assignment of all interests in a specific portion of the lands in a lease shall create a separate lease which shall be given a current serial number.

§ 3506.3-2 Operating rights.

One copy of a sublease or an operating rights assignment shall be filed within 90 days from the date of final execution and shall contain the operating agreement between the lessee and operator. The operator shall file a request for approval as described in § 3506.3-1(b) of this title. The agreement shall be approved by formal decision.

§ 3506.3-3 Overriding royalty interests.

All overriding royalty interest assignments shall be filed for record purposes within 90 days from the date of